



## REQUEST FOR CATEGORICAL EXCLUSION

### PROJECT/ACTIVITY DATA

|   |                             |
|---|-----------------------------|
| <b>Project/Activity Name:</b>                           | Bicycles for Growth         |
| <b>Geographic Location(s) (Country/Region):</b>         | Ghana                       |
| <b>Amendment (Yes/No), if Yes indicate # (1, 2...):</b> | No                          |
| <b>Implementation Start/End Dates (FY or M/D/Y):</b>    | 10/2021-9/2026              |
| <b>If Amended, specify New End Date:</b>                |                             |
| <b>Solicitation/Contract/Award Number(s):</b>           | 7200AA21C00064              |
| <b>Implementing Partner(s):</b>                         | J.E. Austin Associates, Inc |
| <b>Bureau Tracking ID:</b>                              | DDI-23-432                  |
| <b>Tracking ID of Related RCE/IEE (if any):</b>         | DDI-21-160                  |
| <b>Tracking ID of Other, Related Analyses:</b>          |                             |

### ORGANIZATIONAL/ADMINISTRATIVE DATA

|  |                       |
|--|-----------------------|
| <b>Implementing Operating Unit(s):</b><br>(e.g. Mission or Bureau or Office) | DDI/ITR/I             |
| <b>Other Affected Operating Unit(s):</b>                                     | USAID/Ghana           |
| <b>Lead BEO Bureau:</b>  | DDI                   |
| <b>Funding Operating Unit(s):</b><br>(e.g. Mission or Bureau or Office)      | DDI/ITR/I             |
| <b>Funding Account(s) (if available):</b>                                    | FY20 and FY21 DA EG.5 |
| <b>Original Funding Amount:</b>  |                       |
| <b>If Amended, specify funding amount:</b>                                   |                       |
| <b>If Amended, specify new funding total:</b>                                |                       |
| <b>Prepared by:</b>  | William Day           |
| <b>Date Prepared:</b>  | May 22, 2023          |

### ENVIRONMENTAL COMPLIANCE REVIEW DATA

|  |  |                   |               |
|--|--|-------------------|---------------|
| <b>Analysis Type:</b>                          | <input checked="" type="checkbox"/> Request for Categorical Exclusion<br><input type="checkbox"/> Deferral                     |                   |               |
| <b>Environmental Determination(s):</b>         | <input checked="" type="checkbox"/> Categorical Exclusion(s)<br><input type="checkbox"/> Deferred (per 22 CFR 216.3(a)(7)(iv)) |                   |               |
| <b>RCE Expiration Date (if applicable):</b>    | 9/2026   |                   |               |
| <b>Additional Analyses/Reporting Required:</b> |  |                   |               |
| <b>Climate Risks Identified (0):</b>           | Low <u>2</u>   | Moderate <u>0</u> | High <u>0</u> |
| <b>Climate Risks Addressed (0):</b>            | Low <u>2</u>   | Moderate <u>0</u> | High <u>0</u> |

## THRESHOLD DETERMINATION AND SUMMARY OF FINDINGS

### PROJECT/ACTIVITY SUMMARY

In September 2021, USAID issued an award to J.E. Austin Associates, in partnership with World Bicycle Relief and local partners, to research and analyze the supply, demand, and supporting systems for bicycles in five sub-Saharan countries. This research was to inform the design and implementation of scalable pilot projects in four to six localities (district level or smaller) across two of these countries with the goal of reducing barriers to increased bicycle supply and uptake.

The Assessment phase (Activity 1) which included research on the supply, demand, and supporting systems for access to bicycles in Ghana, Malawi, Rwanda, Uganda, and Zambia, was recently completed in April 2023. Beginning in mid-2023, J.E. Austin Associates plans to begin the Pilot phase (Activity 2). Activity 1 received a Categorical Exclusion and Activity 2 received a Deferral (DDI-21-160) in September 2021. **The purpose of this document is to request a Categorical Exclusion for Activity 2 for pilot activities to occur in Ghana.**

During the Pilot phase (Activity 2), J.E. Austin Associates will work in Ghana to address two of the most common constraints to efficient, inclusive growth in the bicycle market system: 1) Access to finance, whereby BFG pilot several different types of products with Village Savings & Loan Associations (VSLAs); and 2) Local solutions, which will focus on fostering innovation and entrepreneurship within the bicycle market system in Ghana.

The primary objective of the pilot activities is to test innovative models of financing and business practices related to bicycle use, aiming to increase access to bicycles and improve supply for various consumer segments. By exploring new approaches to financing and business models, BFG aims to address the challenges and constraints identified in the Ghanaian bicycle market system, ultimately leading to more affordable and accessible bicycles for those who need them most. The pilot activities will generate new learning about bicycle use and access patterns beyond the findings of the market system assessment, practical lessons for effective strategies for creating a more functional and sustainable bicycle market, and methods for enabling households to obtain valuable but hard-to-finance assets. The access to finance activities will provide learning on the viability and relative desirability of various products and services to finance bicycle purchases. The local solutions activities will provide learning on locally-led products and services that can improve bicycles and their uses. Each of the pilot activities has potential to be scaled up in the rural areas in which bicycle use is prevalent and, in fact, critical for economic development and social improvements.

### ENVIRONMENTAL DETERMINATIONS

Upon approval of this document, the determinations become affirmed, per Agency regulations (22 CFR 216).

**TABLE 1: ENVIRONMENTAL DETERMINATIONS**

| Projects/Activities                 | Categorical Exclusion Citation (if applicable)  | Deferral <sup>1</sup>    |
|-------------------------------------|---|--------------------------|
| Activity 1: <b>Assessment Phase</b> | §216.2(c)(2)(iii) Analyses, studies, academic or research workshops and meetings  | <input type="checkbox"/> |
| Activity 2: <b>Pilot Phase</b>      | §216.2(c)(2)(ii) Controlled experimentation exclusively for the purpose of research and field evaluation which are confined to small areas and carefully monitored; and,<br>§216.2(c)(2)(i) Education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment (such as construction of facilities, etc.) | <input type="checkbox"/> |

### CLIMATE RISK MANAGEMENT

Sub-Saharan Africa has experienced multiple vulnerabilities to climate change with dependence on rainfed agriculture, increases in temperature, and volatile rainfall. These climatic features affect power sources, agricultural production, and water-borne disease transmission among other socio-economic factors. Decreased agricultural productivity is anticipated to increase poverty in the region. In addition, the Lake Victoria Basin has seen particular effects of drought on food shortage, and malaria is expected to increase there as well as in the East African highlands. While bicycling has the potential to reduce carbon emissions as clean transportation, climate change has the potential to affect bicycling in Sub-Saharan Africa by creating adverse weather and climatic conditions that may damage cycling infrastructure.

Country-specific highlights can be found in Section 2.2 Climate Risk Management of this document.

A Climate Risk Management screening is required per the mandatory reference for ADS Chapter 201: Climate Risks Management (CRM) for USAID projects and activities. The project-level CRM noted low climate risks. The CRM summary table is attached in Annex 1.

### BEO SPECIFIED CONDITIONS OF APPROVAL

COVID-19 Condition: In order to reduce COVID-19 transmission during implementation of this project, it is recommended that the IP adhere to current, applicable COVID-19 guidelines. Such measures may include, but are not limited to social distancing, use of personal protective equipment, limiting the size of gathering and travel, and effective disinfection.

The implementing partner should follow:

- Applicable COVID-19 guidance from the USAID Mission or U.S. Embassy;
- Applicable COVID-19 guidance from local authorities;

<sup>1</sup> Deferrals must be cleared through an Amendment to this RCE prior to implementation of any deferred activities.

- The Agency-wide “COVID-19 GUIDANCE FOR IMPLEMENTING PARTNERS PAGE” page on the USAID website:  
<https://www.usaid.gov/work-usaid/resources-for-partners/covid-19-guidance-implementing-partners>

## IMPLEMENTATION

In accordance with 22 CFR 216 and Agency policy, the conditions and requirements of this document become mandatory upon approval. This includes the relevant limitations, conditions and requirements in this document as stated in Section 3 of this RCE and any BEO Specified Conditions of Approval.

USAID APPROVAL OF INITIAL ENVIRONMENTAL EXAMINATION

**PROJECT/ACTIVITY NAME:** Bicycles for Growth

**Bureau Tracking ID:** DDI-23-432

|                     |   |                          |
|---------------------|---|--------------------------|
| <b>Approval:</b>    | <u>Catie Lott</u><br>Catie Lott, Innovation Division Director, DDI/ITR/I                | <u>6/8/2003</u><br>Date  |
| <b>Clearance:</b>   | <u>Willam Day /s/</u><br>William Day, COR   | <u>6/7/2003</u><br>Date  |
| <b>Clearance:</b>   | <u>clear</u><br>Adrienne Antoine, CIL [required]  | <u>6/30/2023</u><br>Date |
| <b>Concurrence:</b> | <u>Cleared via email</u><br>Carol Zurawski, DDI Bureau Environmental Officer [required] | <u>7/5/2023</u><br>Date  |

**DISTRIBUTION:**

Ghana MEO, Africa Regional BEO

## 1.0 PROJECT AND ACTIVITY DESCRIPTION

### 1.1 PURPOSE OF THE RCE

The purpose of this document is to establish that all proposed projects/activities belong to classes of actions eligible for Categorical Exclusions as set out in Agency regulations (22 CFR 216.2(c)) and that there are no foreseeable significant direct or indirect impacts that would preclude them from receiving a Categorical Exclusion. Upon approval of this document, the Categorical Exclusions are affirmed for the project/activity. This analysis also documents the results of the project/activity level Climate Risk Management process in accordance with USAID policy (specifically, ADS 201 mandatory reference 201mal).

Activity 1 received a Categorical Exclusion (DDI-21-160) and Activity 2 received a Deferral (DDI-21-160) in September 2021. **The purpose of this document is to request a Categorical Exclusion for Activity 2 and lift the prior deferral for Activity 2.**

This RCE is a critical element of USAID's mandatory environmental review and compliance process meant to achieve environmentally sound activity design and implementation.

### 1.2 PROJECT/ACTIVITY OVERVIEW

In September 2021, USAID issued an award to J.E. Austin Associates, in partnership with World Bicycle Relief and local partners, to research and analyze the supply, demand and supporting systems for bicycles in five sub-Saharan countries. This research was to inform the design and implementation of scalable pilot projects in four to six localities (district level or smaller) across two of these countries with the goal of reducing barriers to increased bicycle supply and uptake.

### 1.3 PROJECT/ACTIVITY DESCRIPTION

In September 2021, USAID issued an award to J.E. Austin Associates, in partnership with World Bicycle Relief and local partners, to research and analyze the supply, demand and supporting systems for bicycles in five sub-Saharan countries. This research was to inform the design and implementation of scalable pilot projects in four to six localities (district level or smaller) across two of these countries with the goal of reducing barriers to increased bicycle supply and uptake.

The Assessment phase (Activity 1) which included research on the supply, demand, and supporting systems for access to bicycles in Ghana, Malawi, Rwanda, Uganda, and Zambia was recently completed in April 2023. Beginning in mid-2023, J.E. Austin Associates plans to begin the Pilot phase (Activity 2). Activity 1 received a Categorical Exclusion and Activity 2 received a Deferral (DDI-21-160) in September 2021. The purpose of this document is to request a Categorical Exclusion for Activity 2 for pilot activities to occur in Ghana.

During the Pilot phase (Activity 2), J.E. Austin Associates will work in Ghana to address two of the most common constraints to efficient, inclusive growth in the bicycle market system: 1) Access to finance, whereby BFG pilot several different types of products with Village Savings & Loan Associations (VSLAs); and 2) Local solutions, which will focus on fostering innovation and entrepreneurship within the bicycle market system in Ghana.

The primary objective of the pilot activities is to test innovative models of financing and business practices related to bicycle use, aiming to increase access to bicycles and improve supply for various consumer segments. By exploring new approaches to financing and business models, BFG aims to address the challenges and constraints identified in the Ghanaian bicycle market system, ultimately leading to more affordable and accessible bicycles for those who need them most. The pilot activities will generate new learning about bicycle use and access patterns beyond the findings of the market system assessment, practical lessons for effective strategies for creating a more functional and sustainable bicycle market, and methods for enabling households to obtain valuable but hard to finance assets. The access to finance activities will provide learning on the viability and relative desirability of various products and services to finance bicycle purchases. The local solutions activities will provide learning on locally-led products and services that can improve bicycles and their uses. Each of the pilot activities has potential to be scaled up in the rural areas in which bicycle use is prevalent and, in fact, critical for economic development and social improvements.

The first pilot activities will focus on testing locally appropriate financing mechanisms, such as working with village savings and loan associations (VSLAs) and financial institutions to develop and implement lending products specifically designed for bicycle purchases. By increasing access to finance for potential bicycle buyers, the pilot activities aim to reduce barriers to bicycle ownership and facilitate greater uptake among low-income households in rural areas.

A second pilot activity will focus on fostering innovation and entrepreneurship within the bicycle market system in Ghana. This initiative will be conducted in collaboration with local entrepreneurship support organizations, such as the Kosmos Innovation Center. The aim is to identify and support entrepreneurs and businesses that develop innovative solutions to challenges faced by bicycle users in the target regions. The second pilot activities initiative will also investigate novel business models tied to bicycle use. This may include the development of new products and services tailored to specific consumer needs and preferences, as well as fostering entrepreneurship within the bicycle market system. By promoting innovative business practices, BFG hopes to create a more diverse and competitive market that can be more responsive and innovative in meeting consumer demand and contribute to improved livelihoods and mobility for individuals and households in the targeted regions.

**TABLE 2: DEFINED ACTIVITIES AND SUB-ACTIVITIES**

|   |
|---|
| <b>Project/Activity 1: <i>Assessment Phase (completed and received prior 22 CFR 216 clearance)</i></b>  |
| <ul style="list-style-type: none"> <li>● Sub-activity 1.1: Research and analyze market systems in five countries</li> <li>● Sub-activity 1.2: Stakeholder dialogue to determine issues for applied research and locations for assessments</li> <li>● Sub-activity 1.3: Assessments with deep analysis of specific localities in five countries and analysis of national level issues relevant to the market system</li> <li>● Sub-activity 1.4: Design interventions to be implemented in two countries in pilot phase</li> </ul> |
| <b>Project/Activity 2: <i>Pilot Phase</i></b>   |
| <ul style="list-style-type: none"> <li>● Sub-activity 2.1: Access to finance</li> <li>● Sub-activity 2.2: Local solutions development</li> </ul>  |

## 2.0 ENVIRONMENTAL ANALYSIS

### 2.1 JUSTIFICATION FOR CATEGORICAL EXCLUSION

The activities under the Bicycles for Growth are among the classes of actions listed in 22 CFR 216.2(c)(2) and have no foreseeable significant direct or indirect adverse effect on the environment. Therefore, under 22 CFR 216.2(c)(1), neither an IEE nor an EA will be required for these activities. Instead, a Categorical Exclusion is recommended for the projects/activities described above in Section 1.3 as follows:

**TABLE 3: RECOMMENDED DETERMINATION FOR CATEGORICAL EXCLUSION**

| Activity and Sub-Activity #   | Recommended Determination for Categorical Exclusion   |
|---|---|
| Project/Activity 2: Pilot Phase<br>Sub-activity 2.1: <b>Access to finance</b>             | §216.2(c)(2)(i) Education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment (such as construction of facilities, etc.) |
| Project/Activity 2: Pilot phase<br>Sub-activity 2.2: <b>Local solutions development</b>   | §216.2(c)(2)(ii) Controlled experimentation exclusively for the purpose of research and field evaluation which are confined to small areas and carefully monitored  |
| Activity 1: <b>Assessment Phase (completed and received prior 22 CFR 216 concurrence)</b> | §216.2(c)(2)(iii) Analyses, studies, academic or research workshops and meetings  |

### 2.2 CLIMATE RISK MANAGEMENT

Sub-Saharan Africa has experienced multiple vulnerabilities to climate change with dependence on rainfed agriculture, increases in temperature, and volatile rainfall as common themes across the region. These climatic features affect power sources, agricultural production, and water-borne disease transmission among other socio-economic factors. Decreased agricultural productivity is expected to increase poverty in the region. In addition, the Lake Victoria Basin has seen drought cause food shortages, and malaria is expected to increase there as well as in the East African highlands. Furthermore, climate change has the potential to affect bicycling in Sub-Saharan Africa by creating adverse weather and climatic conditions that may damage cycling infrastructure.

The key issues affecting Ghana include:

- Climate variability
- Rising sea levels, drought, higher temperatures
- Impacts on food security, infrastructure, power, and the fisheries sectors
- Urban areas along the coast are especially vulnerable to water-borne disease and floods
- The large rainfed agriculture sector suffers from erratic rainfall
- Ghana's Northern Savannah Ecological Zone has high agricultural density and poverty and is especially vulnerable



A climate risk management screening is required per the mandatory reference for ADS Chapter 201: climate risks management (CRM) for USAID projects and activities. The project-level CRM noted low climate risks. The CRM summary table is attached in Annex 1.

This section summarizes the methodology used and findings of the CRM screening (see Annex 1). The project design team, in consultation with the CIL, considered the potential effect of climate risks/stressors on the sustainability of the project (changing precipitation patterns, rising temperature, floods, droughts, fires, landslides, etc.) In addition to the impact of project activities on the climate (increased greenhouse gas emissions, land use changes, etc.).

### 3.0 LIMITATIONS OF THE CATEGORICAL EXCLUSION

The categorical exclusions recommended in this document apply only to projects/activities and sub-activities described herein.

Other projects/activities that may arise must be subject to an environmental analysis and the appropriate documentation prepared and approved, whether it be a new Request for Categorical Exclusion, an amendment, or other type of 22 CFR 216 document.

It is confirmed that the projects/activities described herein do not involve actions normally having a significant effect on the environment, including those described in 22 CFR 216.2(d).

### 3.1 MANDATORY INCLUSION OF ENVIRONMENTAL COMPLIANCE REQUIREMENTS IN SOLICITATIONS, AWARDS, BUDGETS, AND WORK PLANS

USAID will ensure the environmental compliance requirements are incorporated into solicitations, awards, budgets, and work plans, including relevant limitations of Section 3 above. In addition, climate risk management requirements will also be incorporated.

### 3.2 GENERAL IMPLEMENTATION & MONITORING REQUIREMENTS (IF APPLICABLE)

USAID will ensure that the following requirements are met:

- Provide briefings for Implementing Partner (IP) on environmental compliance responsibilities
- Ensure integration of compliance responsibilities in prime and sub-awards and grant agreements;
- Ensure compliance with applicable partner country requirements
- Annual review of project activities to ensure that scope is still covered by Categorical Exclusion

### ATTACHMENTS:

Annex 1: Climate Risk Management Summary Table

ANNEX 1. **PROJECT** CLIMATE RISK MANAGEMENT SUMMARY TABLE

| Defined or Anticipated Project Elements <sup>2</sup>   | Climate Risks <sup>3</sup>  | Risk Rating <sup>4</sup> | How Risks are Addressed at Project Level <sup>5</sup>  | Further Analysis and Actions for Activity Design/ Implementation <sup>6</sup>  | Opportunities to Strengthen Climate Resilience <sup>7</sup>   |
|--|---|--------------------------|--|--|---|
| <p>Activity 1, Assessment Phase: Research and analyze the supply, demand and supporting systems for bicycles in five sub-Saharan countries</p> <ul style="list-style-type: none"> <li>• Sub-activity 1.1: Research and analyze market systems in five countries</li> <li>• Sub-activity 1.2: Stakeholder dialogue to determine issues for applied research and locations for assessments</li> <li>• Sub-activity 1.3: Assessments with deep analysis of specific localities in five countries and analysis of national level issues relevant to the market system</li> <li>• Sub-activity 1.4: Design interventions to be implemented in two countries in pilot phase</li> </ul> | <p>External to the project, each of the five countries may suffer increased extreme weather-related events that may delay assessment implementation if field work cannot be accessed or bicycles are unable to access/use roads and paths</p> | <p>Low</p>               | <p>Assessments will be staggered and we can delay activities if a weather event causes a change to the assessment schedule</p> | <p>Adaptation of assessment schedule; adjusting pilot selection based on risks of extreme weather-related events</p> | <p>Promoting use of bicycles could reduce use of motorized transport in rural areas<br/>Fit-for-purpose bicycles can provide access to weather-stricken areas</p> |

<sup>2</sup> Purpose/Sub-purpose, Area of Focus, or Activity/ Mechanism, etc.

<sup>3</sup> List key risks related to the project elements identified through either the strategy- or project-level climate risk assessment.

<sup>4</sup> Low/Moderate/ High

<sup>5</sup> Describe how risks have been addressed at the project level. If a decision has been made to accept the risk, briefly explain why.

<sup>6</sup> Describe CRM measures to be integrated into activity design or implementation, including additional analysis, if applicable.

<sup>7</sup> Describe opportunities to achieve development objectives by integrating climate resilience or mitigation measures.

|  |   |            |   |  |  |
|--|---|------------|---|--|--|
| <p>Activity 2, Pilot Phase:</p> <ul style="list-style-type: none"> <li>● Sub-activity 2.1: Access to finance</li> <li>● Sub-activity 2.2: Local solutions development</li> </ul> | <p>Pilot locations may suffer increased extreme weather-related events that may delay pilot implementation if the locations cannot be accessed or bicycles are unable to access/use roads and paths</p> | <p>Low</p> | <p>Pilots will provide valuable input on climate change impact and resilience by studying use of bicycles during and after extreme weather-related events. Local partners will continue pilot activities during or immediately after such events, as soon as bicycles can be used</p> | <p>Pilots will analyze bicycle use during and after extreme weather-related events</p> | <p>Increasing use of bicycles could reduce use of motorized transport in rural areas</p> |
|--|---|------------|---|--|--|